

Paramount Unified School District

15110 California Avenue, Paramount, California 90723-4378
(562) 602-6000 Fax (562) 602-8111



November 18, 2013

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

58 December 3, 2013

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

BOARD OF EDUCATION

VIVIAN HANSEN
President

SONYA CUELLAR
Vice President

ALICIA ANDERSON
Member

LINDA GARCIA
Member

TONY PEÑA
Member

HERMAN M. MENDEZ
District Superintendent

The Honorable Board of Supervisors
County of Los Angeles
c/o Olga Castaneda, Head, Board Specialist
383 Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Re: Paramount Unified School District General Obligation Bonds, Election of 2006, Series 2013: Request to the Los Angeles County Board of Supervisors to Authorize the Issuance and Negotiated Sale of Bonds, to Levy Taxes and to Direct the Auditor-Controller to Place Taxes on Tax Roll, and Other Related Matters.

Dear Supervisors:

At an election held on November 7, 2006, the electorate of the Paramount Unified School District (the "District") authorized the District to issue bonds in the aggregate principal amount of up to \$100,000,000 to finance certain specified projects (the "Authorized Projects"). In order to provide interim financing for certain of the Authorized Projects, the District issued Paramount Unified School District General Obligation Bond Anticipation Notes, 2006 Election, Series B (the "Notes"), in the aggregate principal amount of \$32,000,000, in anticipation of the sale of authorized bonds. At this time, the District has authorized and intends to issue authorized bonds (the "Bonds") to finance certain of the Authorized Projects and to pay the Notes. This action was approved by a resolution (the "District Resolution") adopted by the Board of Education of the District on October 23, 2013, pursuant to Article 4.5 of Chapter 3 of Part I of Division 2 of Title 5 of the California Government Code and other applicable provisions of law, a copy of which is enclosed. The District Resolution remains in full force and effect and the Board of Education of the District has not taken any action to amend or rescind the District Resolution.

The District formally requests, in accordance with California Education Code Section 15250 and other applicable provisions of law, that the Board of Supervisors (the "Board of Supervisors") of the County of Los Angeles (the "County") adopt the enclosed resolution (the "County Resolution") on December 3, 2013, to authorize the issuance and negotiated sale by the District on its own behalf of the Bonds, to levy the appropriate taxes for the payment of the Bonds and to direct the Auditor-Controller of the County to place these taxes on the tax roll every year according to a debt service schedule and instructions that will be provided upon the sale of the Bonds, and to direct the County Treasurer and Tax Collector to serve as the Paying Agent (as defined in the County Resolution) for the Bonds.

IT IS THEREFORE REQUESTED THAT:

1. The Board of Supervisors adopt the enclosed County Resolution on December 3, 2013. (Two originals are enclosed)
2. After the Board of Supervisors has taken action on this letter, the District requests that the Clerk of the Board of Supervisors furnish two (2) certified copies of the County Resolution to:

Greg Harrington, Esq.
Orrick, Herrington & Sutcliffe LLP
777 South Figueroa Street, Suite 3200
Los Angeles, CA 90017-5855

and send one (1) copy of the County Resolution to each of the following:

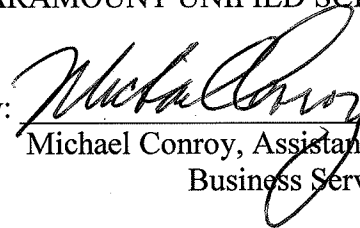
Los Angeles County Treasurer and Tax Collector
Attention: John Patterson
500 West Temple Street, Room 432
Los Angeles, CA 90012

Los Angeles County Auditor Controller
Attention: Jackie Guevarra
500 West Temple Street, Room 603
Los Angeles, CA 90012

Los Angeles County Counsel
Attention: Cammy DuPont
500 West Temple Street, Room 648
Los Angeles, CA 90012

Very truly yours,

PARAMOUNT UNIFIED SCHOOL DISTRICT

By: 
Michael Conroy, Assistant Superintendent,
Business Services

cc: John Patterson
Greg Harrington
Gerald Kim

Enclosures

RESOLUTION NO. _____

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES, REGARDING THE ISSUANCE OF BONDS BY THE PARAMOUNT UNIFIED SCHOOL DISTRICT, DESIGNATING THE PAYING AGENT THEREFOR, THE LEVY OF TAXES AND DIRECTING THE COUNTY AUDITOR-CONTROLLER TO MAINTAIN TAXES ON THE TAX ROLL

WHEREAS, Sections 53506 *et seq.* of the California Government Code, including Section 53508.7 thereof, provide that a school district may issue and sell bonds on its own behalf at a private sale pursuant to Sections 15140 or 15146 of the California Education Code;

WHEREAS, Section 15140(b) of the California Education Code provides that the board of supervisors of a county may authorize a school district over which the county superintendent of schools of such county has jurisdiction to issue and sell its own bonds without the further action of the board of supervisors or officers of the county if said school district has not received a qualified or negative certification in its most recent interim report;

WHEREAS, the Board of Education of the Paramount Unified School District (the "District"), a school district under the jurisdiction of the Superintendent of Schools of the County of Los Angeles (the "County"), has heretofore adopted and filed with the Clerk of the Board of Supervisors of the County (the "Board of Supervisors") a resolution (the "District Resolution") providing for the issuance and sale of its Paramount Unified School District General Obligation Bonds, Election of 2006, Series 2013 (the "Series 2013 Bonds") in an aggregate principal amount not exceeding \$33,955,684, at a negotiated sale pursuant to Sections 53506 *et seq.* of the California Government Code;

WHEREAS, the District, through the District Resolution, has requested that the Board of Supervisors authorize the District to issue and sell the proposed Series 2013 Bonds on its own behalf at a negotiated sale pursuant to Sections 15140 and 15146 of the California Education Code, as permitted by Section 53508.7 of the California Government Code, and the terms set forth in the District Resolution, and has represented and warranted to the County that it has not received a qualified or negative certification in its most recent interim report;

WHEREAS, the Board of Supervisors has been formally requested by the District to levy taxes in an amount sufficient to pay the principal and accreted value of and interest on the Series 2013 Bonds when due, and to direct the Auditor-Controller of the County (the "Auditor-Controller") to maintain on its tax roll, and all subsequent tax rolls, taxes sufficient to fulfill the requirements of the debt service schedules for the Series 2013 Bonds that will be provided to the Auditor Controller by the District following the sale of the Series 2013 Bonds; and

WHEREAS, the District has requested that the Treasurer and Tax Collector of the County (the "Treasurer") be appointed by the Board of Supervisors to act as the authenticating agent, bond registrar, transfer agent and paying agent (collectively, the "Paying Agent") for the Series 2013 Bonds pursuant to the District Resolution;

NOW, THEREFORE, THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. Recitals. That all of the above recitals are true and correct.

Section 2. Authorization of Negotiated Sale. That the Board of Supervisors hereby authorizes and approves the issuance and negotiated sale by the District on its own behalf of the Series 2013 Bonds, pursuant to Sections 15140 and 15146 of the California Education Code, as permitted by Section 53508.7(c) of the California Government Code, and the terms set forth in the District Resolution. This authorization shall only apply to the Series 2013 Bonds.

Section 3. Levy of Taxes. That the Board of Supervisors levy taxes in each year in an amount sufficient to pay the principal and accreted value of and interest coming due on the Series 2013 Bonds

Section 4. Preparation of Tax Roll. That the Auditor-Controller is hereby directed to place on its tax roll, and all subsequent tax rolls until the Series 2013 Bonds are paid in accordance with their terms, taxes in an amount sufficient to fulfill the requirements of the debt service schedules for the Series 2013 Bonds, which will be provided to the Auditor-Controller by the District following the sale of the Series 2013 Bonds.

Section 5. Paying Agent. That the Board of Supervisors does hereby authorize and appoint the Treasurer, or the Treasurer's third-party designee, as Paying Agent for the Series 2013 Bonds. The Treasurer is authorized to contract with a third party to perform the services of Paying Agent.

Section 6. Indemnification of County. That the County acknowledges and relies upon the fact that the District Resolution provides that the District shall indemnify and hold harmless, to the extent permitted by law, the County and its officers and employees ("Indemnified Parties"), against any and all losses, claims, damages or liabilities, joint or several, to which such Indemnified Parties may become subject because of action or inaction related to the adoption of this resolution, or related to the proceedings for sale, award, issuance and delivery of the Series 2013 Bonds in accordance herewith and with the District Resolution and that the District shall also reimburse any such Indemnified Parties for any legal or other expenses incurred in connection with investigating or defending any such claims or actions.

Section 7. Effective Date. This Resolution shall take effect immediately upon its passage.

The foregoing resolution was, on the 3rd day of December, 2013, adopted by the Board of Supervisors of the County of Los Angeles and *ex-officio* the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts.

SACHI A. HAMAI, Executive-Officer
Clerk of the Board of Supervisors of the
County of Los Angeles

By: Sachelle Smithman
Deputy

APPROVED AS TO FORM:

JOHN F. KRATTLI
County Counsel

By: Jimmy E. DeRak
Principal Deputy County Counsel



RESOLUTION NO. 13-14

RESOLUTION OF THE BOARD OF EDUCATION OF THE PARAMOUNT UNIFIED SCHOOL DISTRICT AUTHORIZING THE ISSUANCE AND SALE OF NOT TO EXCEED \$33,955,684 AGGREGATE INITIAL PRINCIPAL AMOUNT OF BONDS OF PARAMOUNT UNIFIED SCHOOL DISTRICT BY A NEGOTIATED SALE PURSUANT TO A BOND PURCHASE AGREEMENT, PRESCRIBING THE TERMS OF SALE, APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF THE BOND PURCHASE AGREEMENT, APPROVING THE FORM OF AND AUTHORIZING THE DISTRIBUTION OF AN OFFICIAL STATEMENT FOR THE BONDS, AND AUTHORIZING THE EXECUTION OF NECESSARY CERTIFICATES RELATING TO THE BONDS

WHEREAS, at an election duly called and regularly held in the Paramount Unified School District (the "District"), located in the County of Los Angeles (the "County"), on November 7, 2006, the qualified electors of the District authorized the issuance of not to exceed \$100 million aggregate principal amount of general obligation bonds to finance certain specified projects (the "Projects");

WHEREAS, in order to provide financing for certain of the Projects, a portion of said authorized bonds in the aggregate initial principal amount of \$32,000,000, designated "Paramount Unified School District General Obligation Bonds, Election of 2006, Series 2007," were issued and sold;

WHEREAS, in order to provide interim financing for certain of the Projects, pursuant to Section 15150 of the California Education Code, the District issued Paramount Unified School District General Obligation Bond Anticipation Notes, 2006 Election, Series A (the "Series A Notes"), in the aggregate principal amount of \$34,000,000, and Paramount Unified School District General Obligation Bond Anticipation Notes, 2006 Election, Series B (the "Series B Notes"), in the aggregate principal amount of \$32,000,000, in anticipation of the sale of an additional portion of said authorized bonds;

WHEREAS, in order to pay the Series A Notes, a portion of said authorized bonds in the aggregate initial principal amount of \$34,044,316.05, designated "Paramount Unified School District General Obligation Bonds, Election of 2006, Series 2011," were issued and sold;

WHEREAS, in order to pay the Series B Notes and to provide financing for certain of the Projects, the Board of Education of the District (the "Board of Education") deems it necessary and desirable that the District issue and sell, on its own behalf at a private sale, a portion of such authorized general obligation bonds in a series denominated the "Paramount Unified School District General Obligation Bonds, Election of 2006, Series 2013" (the "Series 2013 Bonds") in an aggregate initial principal amount not exceeding \$33,955,684, according to the terms and in the manner hereinafter set forth;

WHEREAS, Sections 53506 *et seq.* of the California Government Code, including Section 53508.7 thereof, provide that a school district may issue and sell bonds on its own behalf at a private sale pursuant to Sections 15140 or 15146 of the California Education Code;

WHEREAS, Section 15140(b) of the California Education Code provides that the board of supervisors of a county may authorize a school district in the county to issue and sell its own bonds without the further action of the board of supervisors or officers of the county if said school district has not received a qualified or negative certification in its most recent interim report;

WHEREAS, the District has not received a qualified or negative certification in its most recent interim report, the second interim report for Fiscal Year 2012-13;

WHEREAS, the District desires that the Board of Supervisors of the County authorize the issuance and sale of the Series 2013 Bonds by the District on its own behalf at a negotiated sale, pursuant to Sections 15140 and 15146 of the California Education Code, as permitted by Section 53508.7(c) of the California Government Code, and the terms set forth in the this Resolution;

WHEREAS, the Board of Education has determined that it could be in the best interest of the District to obtain an insurance policy to secure the timely payment of the principal of and interest on the Series 2013 Bonds;

WHEREAS, a form of the Bond Purchase Agreement to purchase the Series 2013 Bonds proposed to be entered into among Piper Jaffray & Co., on behalf of itself and U.S. Bancorp Investments, Inc. (the "Underwriters"), and the District, has been prepared;

WHEREAS, Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 ("Rule 15c2-12") requires that, in order to be able to purchase or sell the Series 2013 Bonds, the Underwriters must have reasonably determined that the issuer or other obligated person has undertaken in a written agreement or contract for the benefit of the holders of the Series 2013 Bonds to provide disclosure of certain financial and operating information and certain enumerated events on an ongoing basis;

WHEREAS, in order to cause such requirement to be satisfied, the District desires to execute and deliver a Continuing Disclosure Certificate;

WHEREAS, a form of the Preliminary Official Statement to be distributed in connection with the public offering of the Series 2013 Bonds has been prepared;

WHEREAS, the Board of Education has been presented with the form of each document referred to herein relating to the financing contemplated hereby, and the Board of Education has examined each document and desires to approve, authorize and direct the execution of such documents and the consummation of such financing;

WHEREAS, the District desires that the County levy and collect a tax on all taxable property within the District sufficient to provide for payment of each series of the Series 2013 Bonds, and intends by the adoption of this Resolution to notify the Board of Supervisors of the

County, the Auditor-Controller of the County, the Treasurer and Tax Collector of the County and other officials of the County that they should take such actions as shall be necessary to provide for the levy and collection of such a tax and payment of the Series 2013 Bonds, all pursuant to Sections 15250 and 15251 of the California Education Code; and

WHEREAS, all acts, conditions and things required by the Constitution and laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of the actions authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the District is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such actions for the purpose, in the manner and upon the terms herein provided;

NOW, THEREFORE, BE IT RESOLVED by the Board of Education of the Paramount Unified School District, as follows:

Section 1. Recitals. All of the above recitals are true and correct and the Board of Education so finds.

Section 2. Definitions. Unless the context clearly otherwise requires, the terms defined in this Section shall, for all purposes of this Resolution, have the meanings specified herein, to be equally applicable to both the singular and plural forms of any of the terms herein defined.

“Authorized Officers” means the President of the Board of Education, or such other member of the Board of Education as the President may designate, the Superintendent of the District, the Assistant Superintendent, Business Services of the District, or such other officer or employee of the District as the Superintendent may designate.

“Board of Supervisors” means the Board of Supervisors of the County.

“Board of Education” means the Board of Education of the District.

“Bond Purchase Agreement” means the Bond Purchase Agreement relating to the sale of the Series 2013 Bonds by and among Piper Jaffray & Co., on behalf of itself and U.S. Bancorp Investments, Inc., and the District.

“Capital Appreciation Bonds” means the Series 2013 Bonds accreting interest semiannually to the maturity date thereof payable in accordance with Section 5(e) hereof.

“Cede & Co.” means Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Series 2013 Bonds.

“Closing Date” means the date on which the Series 2013 Bonds are issued and delivered to the Underwriters.

“Code” means the Internal Revenue Code of 1986.

“Continuing Disclosure Certificate” means the Continuing Disclosure Certificate executed and delivered by the District relating to the Series 2013 Bonds.

“Conversion Date” means the date a Convertible Capital Appreciation Bond converts to a bond bearing interest payable semiannually on a current basis.

“Convertible Capital Appreciation Bonds” means those Series 2013 Bonds accreting interest semiannually to the Conversion Date thereof and bearing interest payable semiannually on a current basis from and after the Conversion Date thereof, all in accordance with Section 5(f) hereof.

“County” means the County of Los Angeles.

“Current Interest Bonds” means those Series 2013 Bonds bearing interest payable semiannually on a current basis in accordance with Section 5(d) hereof.

“District” means the Paramount Unified School District.

“DTC” means The Depository Trust Company, a limited-purpose trust company organized under the laws of the State of New York, and its successors as securities depository for the Series 2013 Bonds, including any such successor thereto appointed pursuant to Section 9 hereof.

“Interest Dates” means February 1 and August 1 of each year (a) commencing on February 1, 2014, with respect to the Current Interest Bonds and, for purposes of compounding interest on the Capital Appreciation Bonds and, to their Conversion Dates, Convertible Capital Appreciation Bonds, commencing on February 1, 2014, or such other dates as may be set forth in the Bond Purchase Agreement, and (b) with respect to Convertible Capital Appreciation Bonds, from and after their Conversion Date, commencing on the February 1 or August 1 immediately following such Conversion Date, or such other dates as may be set forth in the Bond Purchase Agreement.

“Official Statement” means the Official Statement of the District relating to the Series 2013 Bonds.

“Opinion of Bond Counsel” means an opinion of counsel of nationally recognized standing in the field of law relating to municipal bonds.

“Owner” means, with respect to any Series 2013 Bond, the person whose name appears on the Registration Books as the registered Owner thereof.

“Paying Agent” means the Treasurer, or any bank, trust company, national banking association or other financial institution appointed as Paying Agent to act as authenticating agent, bond registrar, transfer agent and paying agent for the Series 2013 Bonds in accordance with Section 8 hereof.

“Preliminary Official Statement” means the Preliminary Official Statement of the District relating to the Series 2013 Bonds.

“Record Date” means, with respect to any Interest Date for the Series 2013 Bonds, the 15th day of the calendar month immediately preceding such Interest Date, whether or not such

day is a business day, or such other date or dates as may be set forth in the Bond Purchase Agreement.

“Registration Books” means the books for the registration and transfer of the Series 2013 Bonds maintained by the Paying Agent in accordance with Section 8(d) hereof.

“Series 2013 Bonds” means the Paramount Unified School District General Obligation Bonds, Election of 2006, Series 2013.

“Series B Notes” means the Paramount Unified School District General Obligation Bond Anticipation Notes, 2006 Election, Series B, presently outstanding in the aggregate principal amount of \$32,000,000.

“Series B Notes Indenture” means the Indenture, dated as of September 1, 2010, by and between the District and U.S. Bank National Association, as trustee.

“Series B Notes Trustee” means U.S. Bank National Association, as trustee of the Series B Notes pursuant to the Series B Notes Indenture.

“State” means the State of California.

“Tax Certificate” means the Tax Certificate, executed by the District, dated the date of issuance of the Series 2013 Bonds.

“Treasurer” means the Treasurer and Tax Collector of the County or any authorized deputy thereof.

“Underwriters” means Piper Jaffray & Co. and U.S. Bancorp Investments, Inc.

Section 3. Authorization and Designation of Bonds. Subject to the authorization of the District by the Board of Supervisors to issue and sell the Series 2013 Bonds without the further action of the Board of Supervisors pursuant to Sections 15140 and 15146 of the California Education Code, as permitted by Section 53508.7 of the California Government Code, which authorization is hereby respectfully requested, the Series 2013 Bonds described herein are being issued pursuant to Section 53506 *et seq.* of the California Government Code, including Section 53508.7 thereof, and Section 15140 of the California Education Code, and other applicable provisions of law. The Board of Education hereby authorizes the issuance and sale of not to exceed \$33,955,684 aggregate initial principal amount of Series 2013 Bonds. The Series 2013 Bonds shall be denominated “Paramount Unified School District General Obligation Bonds, Election of 2006, Series 2013,” with such further designation therein as may be appropriate for the purpose of distinguishing one type of Series 2013 Bond from another. The Series 2013 Bonds shall be issued as Current Interest Bonds, Capital Appreciation Bonds and Convertible Capital Appreciation Bonds, or any combination thereof, all as provided in Section 5 hereof.

Section 4. Form of Bonds; Execution. (a) *Form of Series 2013 Bonds.* The Series 2013 Bonds shall be issued in fully registered form without coupons. The Current Interest Bonds, the Capital Appreciation Bonds and the Convertible Capital Appreciation Bonds, and the certificate of authentication and registration and the forms of assignment to appear on each of them, shall

be in substantially the forms attached hereto as Exhibit A, Exhibit B and Exhibit C, respectively, with necessary or appropriate variations, omissions and insertions as permitted or required by this Resolution.

(b) *Execution of Bonds.* The Series 2013 Bonds shall be signed by the manual or facsimile signatures of the President of the Board of Education, and countersigned by the manual or facsimile signature of the Clerk of the Board of Education. The Series 2013 Bonds shall be authenticated by a manual signature of a duly authorized signatory of the Paying Agent.

(c) *Valid Authentication.* Only such of the Series 2013 Bonds as shall bear thereon a certificate of authentication and registration as described in subsection (a) of this Section, executed by the Paying Agent, shall be valid or obligatory for any purpose or entitled to the benefits of this Resolution, and such certificate of authentication and registration shall be conclusive evidence that the Series 2013 Bonds so authenticated have been duly authenticated and delivered hereunder and are entitled to the benefits of this Resolution.

(d) *Identifying Number.* The Paying Agent shall assign each Series 2013 Bond authenticated and registered by it a distinctive letter, or number, or letter and number, and shall maintain a record thereof at its principal office, which record shall be available to the District and the County for inspection.

Section 5. Terms of Bonds. (a) *Date of Series 2013 Bonds.* The Current Interest Bonds shall be dated the date of their delivery, or such other date as shall be set forth in the Bond Purchase Agreement. The Capital Appreciation Bonds shall be dated the date of their delivery, or such other date as shall be set forth in the Bond Purchase Agreement. The Convertible Capital Appreciation Bonds shall be dated the date of their delivery, or such other date as shall be set forth in the Bond Purchase Agreement.

(b) *Denominations.* The Current Interest Bonds shall be issued in denominations of \$5,000 principal amount or any integral multiple thereof. The Capital Appreciation Bonds shall be issued in denominations of \$5,000 accreted value at maturity ("maturity value") or any integral multiple thereof, except that the first numbered Capital Appreciation Bond may be issued in a denomination such that the maturity value of such Capital Appreciation Bond shall not be an integral multiple of \$5,000. The Convertible Capital Appreciation Bonds shall be issued in denominations of \$5,000 accreted value at their Conversion Date or any integral multiple thereof.

(c) *Maturity.* The Current Interest Bonds shall mature on the date or dates, in each of the years, in the principal amounts and in the aggregate principal amount as shall be set forth in the Bond Purchase Agreement. No Current Interest Bond shall mature later than the date which is 40 years from the date of the Current Interest Bonds, to be determined as provided in subsection (a) of this Section. No Current Interest Bond shall have principal maturing on more than one principal maturity date. The Bond Purchase Agreement may provide that no Current Interest Bonds shall be issued.

The Capital Appreciation Bonds shall mature on the date or dates, in each of the years, and in such maturity values as shall be set forth in the Bond Purchase Agreement. No Capital

Appreciation Bond shall mature later than the date which is 40 years from the date of the Capital Appreciation Bonds, to be determined as provided in subsection (a) of this Section. No Capital Appreciation Bond shall have principal maturing on more than one principal maturity date. The Bond Purchase Agreement may provide that no Capital Appreciation Bonds shall be issued.

The Convertible Capital Appreciation Bonds shall have Conversion Dates of and mature on the date or dates, in each of the years, in the accreted amounts and in the stated values at their Conversion Date as shall be set forth in the Bond Purchase Agreement. No Convertible Capital Appreciation Bond shall mature later than the date which is 40 years from the date of the Convertible Capital Appreciation Bonds, to be determined as provided in subsection (a) of this Section. No Convertible Capital Appreciation Bond shall have principal maturing on more than one principal maturity date. The Bond Purchase Agreement may provide that no Convertible Capital Appreciation Bonds shall be issued.

The Current Interest Bonds, the Capital Appreciation Bonds and the Convertible Capital Appreciation Bonds may mature in the same year or years as any other Current Interest Bonds, Capital Appreciation Bonds or Convertible Capital Appreciation Bonds, without limitation.

(d) *Interest; Current Interest Bonds.* The Current Interest Bonds shall bear interest at an interest rate not to exceed 12.00% per annum, payable on the Interest Dates in each year computed on the basis of a 360-day year of twelve 30-day months. Each Current Interest Bond shall bear interest from the Interest Date next preceding the date of authentication thereof, unless it is authenticated after the close of business on a Record Date and on or prior to the succeeding Interest Date, in which event it shall bear interest from such Interest Date, or unless it is authenticated on or before the Record Date preceding the first Interest Date, in which event it shall bear interest from its dated date; provided, however, that if, at the time of authentication of any Current Interest Bond, interest is in default on any outstanding Current Interest Bonds, such Current Interest Bond shall bear interest from the Interest Date to which interest has previously been paid or made available for payment on the outstanding Current Interest Bonds.

(e) *Interest; Capital Appreciation Bonds.* The Capital Appreciation Bonds shall not bear current interest; each Capital Appreciation Bond shall accrete in value daily over the term to its maturity (on the basis of a 360-day year consisting of twelve 30-day months), from its initial principal (denominational) amount on the date of issuance thereof to its stated maturity value at maturity thereof, on the basis of a constant interest rate (which shall not exceed 12.00% per annum) compounded semiannually on each Interest Date (with straight-line interpolations between Interest Dates). The accreted value per \$5,000 maturity value of the Capital Appreciation Bonds on each Interest Date shall be given for reference in a table of accreted values to appear in the Capital Appreciation Bonds; provided, however, that the accreted value determined in accordance with this Section shall prevail over any different accreted value given in such table. Interest on the Capital Appreciation Bonds shall be payable only upon maturity or prior redemption thereof.

(f) *Interest; Convertible Capital Appreciation Bonds.* The Convertible Capital Appreciation Bonds shall not bear current interest prior to their respective Conversion Dates; each Convertible Capital Appreciation Bond shall accrete in value daily from its initial principal (denominational) amount on the date of issuance thereof to its stated value at the Conversion

Date thereof (on the basis of a 360-day year consisting of twelve 30-day months), on the basis of a constant interest rate (which shall not exceed 12.00% per annum) compounded semiannually on each Interest Date (with straight-line interpolations between Interest Dates). From and after the respective Conversion Date of a Convertible Capital Appreciation Bond, such Convertible Capital Appreciation Bonds shall bear current interest on the accreted value thereof at an interest rate not to exceed 12.00% per annum, computed on the basis of a 360-day year of twelve 30-day months, payable on the Interest Dates in each year following its Conversion Date. Following the Conversion Date with respect thereto, each Convertible Capital Appreciation Bond shall bear interest from the Interest Date next preceding the date of authentication thereof, unless it is authenticated after the close of business on a Record Date and on or prior to the succeeding Interest Date, in which event it shall bear interest from such Interest Date, or unless it is authenticated on or before the Record Date preceding the first Interest Date following its Conversion Date, in which event it shall bear interest from its Conversion Date; provided, however, that if, at the time of authentication of any Convertible Capital Appreciation Bond, interest is in default on any outstanding Convertible Capital Appreciation Bonds, such Convertible Capital Appreciation Bond shall bear interest from the Interest Date to which interest has previously been paid or made available for payment on the outstanding Convertible Capital Appreciation Bonds.

Section 6. Payment of Bonds. (a) *Request for Tax Levy.* The money for the payment of principal, redemption premium, if any, and interest with respect to the Series 2013 Bonds shall be raised by taxation upon all taxable property in the District and provision shall be made for the levy and collection of such taxes in the manner provided by law and for such payment out of the interest and sinking fund of the District. The Board of Supervisors and officers of the County are obligated by statute to provide for the levy and collection of property taxes in each year sufficient to pay all principal and interest coming due on the Series 2013 Bonds in such year, and to pay from such taxes all amounts due on the Series 2013 Bonds. The District hereby requests the Board of Supervisors to annually levy a tax upon all taxable property in the District sufficient to redeem the Series 2013 Bonds, and to pay the principal, redemption premium, if any, and interest thereon as and when the same become due.

(b) *Principal.* The principal of the Current Interest Bonds and the accreted value of the Capital Appreciation Bonds and the Convertible Capital Appreciation Bonds shall be payable in lawful money of the United States of America to the Owner thereof, upon the surrender thereof at the principal corporate trust office of the Paying Agent.

(c) *Interest; Record Date.* The interest on the Current Interest Bonds and the Convertible Capital Appreciation Bonds after the Conversion Date shall be payable on each Interest Date in lawful money of the United States of America to the Owner thereof as of the Record Date preceding such Interest Date, such interest to be paid by check or draft mailed on such Interest Date (if a business day, or on the next business day if the Interest Date does not fall on a business day) to such Owner at such Owner's address as it appears on the Registration Books or at such address as the Owner may have filed with the Paying Agent for that purpose except that the payment shall be made by wire transfer of immediately available funds to any Owner of at least \$1,000,000 of outstanding Current Interest Bonds or Convertible Capital Appreciation Bonds after the Conversion Date who shall have requested in writing such method

of payment of interest prior to the close of business on the Record Date immediately preceding any Interest Date.

(d) *Interest and Sinking Fund.* Principal and interest due on the Series 2013 Bonds shall be paid from the interest and sinking fund of the District as provided in Section 15146 of the California Education Code.

(e) *Obligation of the District.* No part of any fund or account of the County is pledged or obligated to the payment of the Series 2013 Bonds. The obligation for repayment of the Series 2013 Bonds is the sole obligation of the District.

(f) *Insurance.* The payment of principal and accreted value of and interest on all or a portion of the Series 2013 Bonds may be secured by a municipal bond insurance policy as shall be described in the Bond Purchase Agreement. The Bond Purchase Agreement may provide that no municipal bond insurance policy shall be obtained. The Authorized Officers are each hereby authorized and directed to apply for municipal bond insurance for the Series 2013 Bonds and to obtain such insurance if the present value cost of such insurance is less than the present value of the estimated interest savings with respect to the Series 2013 Bonds. The Authorized Officers are each hereby authorized and directed, for and in the name and on behalf of the District, to execute and deliver a contract for such insurance if such contract is deemed by the Authorized Officer executing the same to be in the best interests of the District, such determination to be conclusively evidenced by such Authorized Officer's execution and delivery of such contract.

Section 7. Redemption Provisions. (a) *Optional Redemption.* The Series 2013 Bonds may be subject to redemption, at the option of the District, on the dates and terms as shall be designated in the Bond Purchase Agreement. The Bond Purchase Agreement may provide that the Series 2013 Bonds shall not be subject to optional redemption, and may provide separate and distinct redemption provisions for the Current Interest Bonds, the Capital Appreciation Bonds and the Convertible Capital Appreciation Bonds. If less than all of the Series 2013 Bonds (Current Interest Bonds, Capital Appreciation Bonds or Convertible Capital Appreciation Bonds, as applicable), if any, are subject to such redemption and are called for redemption, such Series 2013 Bonds shall be redeemed in inverse order of maturities or as otherwise directed by the District (or as otherwise set forth in the Bond Purchase Agreement), and if less than all of the Series 2013 Bonds of any given maturity are called for redemption, the portions of such bonds of a given maturity to be redeemed shall be determined by lot (or as otherwise set forth in the Bond Purchase Agreement).

(b) *Mandatory Sinking Fund Redemption.* The Current Interest Bonds, if any, which are designated in the Bond Purchase Agreement as Current Interest Term Bonds shall also be subject to redemption prior to their stated maturity dates, without a redemption premium, in part by lot, from mandatory sinking fund payments in the amounts and in accordance with the terms to be specified in the Bond Purchase Agreement. The principal amount of each mandatory sinking fund payment of any maturity shall be reduced proportionately by the amount of any Current Interest Bonds of that maturity optionally redeemed in accordance with the provisions hereof prior to the mandatory sinking fund payment date. The Bond Purchase Agreement may provide that the Current Interest Bonds shall not be subject to mandatory sinking fund redemption.

The Capital Appreciation Bonds, if any, which are designated in the Bond Purchase Agreement as Capital Appreciation Term Bonds shall also be subject to redemption prior to their stated maturity dates, without a redemption premium, in part by lot, from mandatory sinking fund payments in the amounts and in accordance with the terms to be specified in the Bond Purchase Agreement. The amount of each mandatory sinking fund payment of any maturity shall be reduced proportionately by the amount of any Capital Appreciation Bonds of that maturity optionally redeemed in accordance with the provisions hereof prior to the mandatory sinking fund payment date. The Bond Purchase Agreement may provide that the Capital Appreciation Bonds shall not be subject to mandatory sinking fund redemption.

The Convertible Capital Appreciation Bonds, if any, which are designated in the Bond Purchase Agreement as Convertible Capital Appreciation Term Bonds shall also be subject to redemption prior to their stated maturity dates, without a redemption premium, in part by lot, from mandatory sinking fund payments in the amounts and in accordance with the terms to be specified in the Bond Purchase Agreement. The amount of each mandatory sinking fund payment of any maturity shall be reduced proportionately by the amount of any Convertible Capital Appreciation Bonds of that maturity optionally redeemed in accordance with the provisions hereof prior to the mandatory sinking fund payment date. The Bond Purchase Agreement may provide that the Convertible Capital Appreciation Bonds shall not be subject to mandatory sinking fund redemption.

The Auditor-Controller of the County is hereby authorized to create such sinking funds or accounts for the term Series 2013 Bonds as shall be necessary to accomplish the purposes of this Section.

(c) *Notice of Redemption.* Notice of any redemption of the Series 2013 Bonds shall be mailed by the Paying Agent, postage prepaid, not less than 30 nor more than 60 days prior to the redemption date (i) by first class mail to the County and the respective Owners thereof at the addresses appearing on the Registration Books, and (ii) as may be further required in accordance with the Continuing Disclosure Certificate.

Each notice of redemption shall state (i) the date of such notice, (ii) the name of the Series 2013 Bonds and the date of issue of the Series 2013 Bonds, (iii) the redemption date, (iv) the redemption price, (v) the dates of maturity of the Series 2013 Bonds to be redeemed, and (vi) if less than all of the Series 2013 Bonds of any maturity are to be redeemed, the distinctive numbers of the Series 2013 Bonds of each maturity to be redeemed, (vii) in the case of Series 2013 Bonds redeemed in part only, the respective portions of the principal amount of the Series 2013 Bonds of each maturity to be redeemed, (viii) the CUSIP number, if any, of each maturity of Series 2013 Bonds to be redeemed, (ix) a statement that such Series 2013 Bonds must be surrendered by the Owners at the principal corporate trust office of the Paying Agent, or at such other place or places designated by the Paying Agent; (x) notice that further interest on such Series 2013 Bonds will not accrue after the designated redemption date; and (xi) in the case of a conditional notice, that such notice is conditioned upon certain circumstances and the manner of rescinding such conditional notice.

(d) *Effect of Notice.* A certificate of the Paying Agent that notice of redemption has been given to Owners as herein provided shall be conclusive as against all parties. Neither the

failure to receive the notice of redemption as provided in this Section, nor any defect in such notice shall affect the sufficiency of the proceedings for the redemption of the Series 2013 Bonds or the cessation of interest on the date fixed for redemption.

When notice of redemption has been given substantially as provided for herein, and when the redemption price of the Series 2013 Bonds called for redemption is set aside for the purpose as described in subsection (f) of this Section, the Series 2013 Bonds designated for redemption shall become due and payable on the specified redemption date and interest shall cease to accrue thereon as of the redemption date, and upon presentation and surrender of such Series 2013 Bonds at the place specified in the notice of redemption, such Series 2013 Bonds shall be redeemed and paid at the redemption price thereof out of the money provided therefor. The Owners of such Series 2013 Bonds so called for redemption after such redemption date shall be entitled to payment thereof only from the interest and sinking fund or the trust fund established for such purpose. All Series 2013 Bonds redeemed shall be cancelled forthwith by the Paying Agent and shall not be reissued.

(e) *Right to Rescind Notice.* The District may rescind any optional redemption and notice thereof for any reason on any date prior to the date fixed for redemption by causing written notice of the rescission to be given to the Owners of the Series 2013 Bonds so called for redemption. Any optional redemption and notice thereof shall be rescinded if for any reason on the date fixed for redemption moneys are not available in the interest and sinking fund or otherwise held in trust for such purpose in an amount sufficient to pay in full on said date the principal, accreted value, interest, and any premium due on the Series 2013 Bonds called for redemption. Notice of rescission of redemption shall be given in the same manner in which notice of redemption was originally given. The actual receipt by the Owner of any Series 2013 Bond of notice of such rescission shall not be a condition precedent to rescission, and failure to receive such notice or any defect in such notice shall not affect the validity of the rescission.

(f) *Funds for Redemption.* Prior to or on the redemption date of any Series 2013 Bonds there shall be available in the interest and sinking fund of the District, or held in trust for such purpose as provided by law, monies for the purpose and sufficient to redeem, at the redemption prices as in this Resolution provided, the Series 2013 Bonds designated in the notice of redemption. Such monies shall be applied on or after the redemption date solely for payment of principal or accreted value of, and interest and premium, if any, on the Series 2013 Bonds to be redeemed upon presentation and surrender of such Series 2013 Bonds, provided that all monies in the interest and sinking fund of the District shall be used for the purposes established and permitted by law. Any interest due on or prior to the redemption date shall be paid from the interest and sinking fund of the District, unless otherwise provided to be paid from such monies held in trust. If, after all of the Series 2013 Bonds have been redeemed and cancelled or paid and cancelled, there are monies remaining in the interest and sinking fund of the District or otherwise held in trust for the payment of redemption price of the Series 2013 Bonds, the monies shall be held in or returned or transferred to the interest and sinking fund of the District for payment of any outstanding bonds of the District payable from such fund; provided, however, that if the monies are part of the proceeds of bonds of the District, the monies shall be transferred to the fund created for the payment of principal and accreted value of and interest on such bonds. If no such bonds of the District are at such time outstanding, the monies shall be transferred to the general fund of the District as provided and permitted by law.

(g) *Defeasance of Bonds.* If at any time the District shall pay or cause to be paid or there shall otherwise be paid to the Owners of any or all of the outstanding Series 2013 Bonds all or any part of the principal and accreted value of and interest and premium, if any, on the Series 2013 Bonds at the times and in the manner provided herein and in the Series 2013 Bonds, or as provided in the following paragraph, or as otherwise provided by law consistent herewith, then such Owners shall cease to be entitled to the obligation of the District as provided in Section 6 hereof, and such obligation and all agreements and covenants of the District and of the County to such Owners hereunder and under the Series 2013 Bonds shall thereupon be satisfied and discharged and shall terminate, except only that the District shall remain liable for payment of all principal, accreted value, interest and premium, if any, represented by the Series 2013 Bonds, but only out of monies on deposit in the interest and sinking fund or otherwise held in trust for such payment; and provided further, however, that the provisions of subsection (h) of this Section shall apply in all events.

For purposes of this Section, the District may pay and discharge any or all of the Series 2013 Bonds by depositing in trust with the Paying Agent or an escrow agent selected by the District, at or before maturity, money or non-callable direct obligations of the United States of America (including zero interest bearing State and Local Government Series) or other non-callable obligations the payment of the principal of and interest on which is guaranteed by a pledge of the full faith and credit of the United States of America, in an amount which will, together with the interest to accrue thereon and available monies then on deposit in the interest and sinking fund of the District, be fully sufficient to pay and discharge the indebtedness on such Series 2013 Bonds (including all principal, accreted value, interest and redemption premiums) at or before their respective maturity dates.

(h) *Unclaimed Monies.* Any money held in any fund created pursuant to this Resolution, or by the Paying Agent or an escrow agent in trust, for the payment of the principal or accreted value of, redemption premium, if any, or interest on the Series 2013 Bonds and remaining unclaimed for one year after the principal or accreted value of all of the Series 2013 Bonds has become due and payable (whether by maturity or upon prior redemption) shall be transferred to the interest and sinking fund of the District for payment of any outstanding bonds of the District payable from the fund; or, if no such bonds of the District are at such time outstanding, the monies shall be transferred to the general fund of the District as provided and permitted by law.

Section 8. Paying Agent. (a) *Appointment; Payment of Fees and Expenses.* This Board of Education does hereby consent to and confirm the appointment of the Treasurer to act as the initial paying agent for the Series 2013 Bonds. The Treasurer is hereby authorized to contract with any third party to perform the services of Paying Agent under this Resolution. All fees and expenses of the Paying Agent shall be the sole responsibility of the District, and to the extent not paid from the proceeds of sale of the Series 2013 Bonds, or from the interest and sinking fund of the District, insofar as permitted by law, including specifically by Section 15232 of the California Education Code, such fees and expenses shall be paid by the District.

(b) *Resignation, Removal and Replacement of Paying Agent.* The Paying Agent initially appointed or any successor Paying Agent may resign from service as Paying Agent and may be removed at any time by the Treasurer. If at any time the Paying Agent shall resign or be

removed, the Treasurer shall appoint a successor Paying Agent, which shall be any bank, trust company, national banking association or other financial institution doing business in and having a corporate trust office in California, with at least \$100,000,000 in net assets.

(c) *Principal Corporate Trust Office.* Unless otherwise specifically noted, any reference herein to the "principal corporate trust office" of the Paying Agent for purposes of transfer, registration, exchange, payment and surrender of the Series 2013 Bonds shall initially mean the office of the Treasurer or the principal corporate trust office of the Treasurer's designated agent bank or other office of his designated agent bank designated thereby for a particular purpose; provided, however, that, in any case, "Paying Agent" shall refer to any successor paying agent, bond registrar, authenticating agent or transfer agent for the Series 2013 Bonds, "principal corporate trust office" shall include the principal corporate trust office or other office of such successor Paying Agent designated thereby for a particular purpose.

(d) *Registration Books.* The Paying Agent shall keep or cause to be kept at its principal corporate trust office sufficient books for the registration and transfer of the Series 2013 Bonds, which shall at all times be open to inspection by the District and the County, and, upon presentation for such purpose, the Paying Agent shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred on the Registration Books, Series 2013 Bonds as provided in Sections 9 and 10 hereof. The Paying Agent shall keep accurate records of all funds administered by it and of all Series 2013 Bonds paid and discharged by it. Such records shall be provided, upon reasonable request, to the District in a format mutually agreeable to the Paying Agent and the District.

Section 9. Transfer Under Book-Entry System; Discontinuation of Book-Entry System. (a) Unless otherwise specified in the Bond Purchase Agreement, DTC is hereby appointed depository for the Series 2013 Bonds. The Series 2013 Bonds shall be issued in book-entry form only, and shall be initially registered in the name of "Cede & Co.," as nominee of DTC. One bond certificate shall be issued for each maturity of the Current Interest Bonds, one bond certificate shall be issued for each maturity of the Capital Appreciation Bonds and one bond certificate shall be issued for each maturity of the Convertible Capital Appreciation Bonds; provided, however, that if different CUSIP numbers are assigned to Series 2013 Bonds of the same tenor maturing in a single year or, if Series 2013 Bonds of the same tenor maturing in a single year are issued with different interest rates, additional bond certificates shall be prepared for each such maturity. Registered ownership of such Series 2013 Bonds, or any portion thereof, may not thereafter be transferred except as provided in this Section or Section 10 hereof:

(i) To any successor of DTC, or its nominee, or to any substitute depository designated pursuant to clause (ii) of this Section (a "substitute depository"); provided, however that any successor of DTC, as nominee of DTC or substitute depository, shall be qualified under any applicable laws to provide the services proposed to be provided by it;

(ii) To any substitute depository not objected to by the District, upon (1) the resignation of DTC or its successor (or any substitute depository or its successor) from its functions as depository, or (2) a determination by the District to substitute another depository for DTC (or its successor) because DTC or its successor (or any substitute depository or its successor) is no longer able to carry out its functions as depository;

provided, that any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

(iii) To any person as provided below, upon (1) the resignation of DTC or its successor (or substitute depository or its successor) from its functions as depository; provided that no substitute depository which is not objected to by the District can be obtained, or (2) a determination by the District that it is in the best interests of the District to remove DTC or its successor (or any substitute depository or its successor) from its functions as depository.

(b) In the case of any transfer pursuant to clause (i) or clause (ii) of subsection (a) of this Section, upon receipt of the outstanding Series 2013 Bonds by the Paying Agent, together with a written request of the District to the Paying Agent, a new Series 2013 Bond for each maturity shall be executed and delivered (in the case of Current Interest Bonds, in the aggregate principal amount of such Current Interest Bonds then outstanding, in the case of Capital Appreciation Bonds, in the aggregate maturity value of such Capital Appreciation Bonds then outstanding and, in the case of Convertible Capital Appreciation Bonds, in the aggregate accreted value at the Conversion Date of such Convertible Capital Appreciation Bonds then outstanding, registered in the name of such successor or such substitute depository, or their nominees, as the case may be, all as specified in such written request of the District. In the case of any transfer pursuant to clause (iii) of subsection (a) of this Section, upon receipt of the outstanding Series 2013 Bonds by the Paying Agent together with a written request of the District to the Paying Agent, new Series 2013 Bonds shall be executed and delivered in such denominations, numbered in the manner determined by the Paying Agent, and registered in the names of such persons, as are requested in such written request of the District, subject to the limitations of Section 5 hereof and the receipt of such a written request of the District, and thereafter, the Series 2013 Bonds shall be transferred pursuant to the provisions set forth in Section 10 hereof; provided, however, that the Paying Agent shall not be required to deliver such new Series 2013 Bonds within a period of less than 60 days after the receipt of any such written request of the District.

(c) In the case of partial redemption or an advance refunding of the Series 2013 Bonds evidencing all or a portion of the principal amount then outstanding, DTC shall make an appropriate notation on the Series 2013 Bonds indicating the date and amounts of such reduction in principal.

(d) The District and the Paying Agent shall be entitled to treat the person in whose name any Series 2013 Bond is registered as the owner thereof, notwithstanding any notice to the contrary received by the District or the Paying Agent; and the District and the Paying Agent shall have no responsibility for transmitting payments to, communicating with, notifying, or otherwise dealing with any beneficial owners of the Series 2013 Bonds, and neither the District nor the Paying Agent shall have any responsibility or obligation, legal or otherwise, to the beneficial owners or to any other party, including DTC or its successor (or substitute depository or its successor), except for the Owner of any Series 2013 Bonds.

(e) So long as the outstanding Series 2013 Bonds are registered in the name of Cede & Co. or its registered assigns, the District and the Paying Agent shall cooperate with Cede &

Co., as sole registered Owner, or its registered assigns in effecting payment of the principal of and interest on the Series 2013 Bonds by arranging for payment in such manner that funds for such payments are properly identified and are made immediately available on the date they are due.

Section 10. Transfer and Exchange. (a) *Transfer.* Following the termination or removal of DTC or successor depository pursuant to Section 9 hereof, any Series 2013 Bond may, in accordance with its terms, be transferred, upon the Registration Books, by the Owner thereof, in person or by the duly authorized attorney of such Owner, upon surrender of such Series 2013 Bond to the Paying Agent for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Paying Agent.

Whenever any Series 2013 Bond or Series 2013 Bonds shall be surrendered for transfer, the designated District officials shall execute and the Paying Agent shall authenticate and deliver, as provided in Section 4 hereof, a new Series 2013 Bond or Series 2013 Bonds, of the same maturity, Interest Date and interest rate (in the case of Current Interest Bonds, for a like aggregate principal amount, in the case of Capital Appreciation Bonds, for a like aggregate maturity value and, in the case of Convertible Capital Appreciation Bonds, for a like aggregate accreted value at the Conversion Date, as applicable). The Paying Agent may require the payment by any Owner of Series 2013 Bonds requesting any such transfer of any tax or other governmental charge required to be paid with respect to such transfer.

No transfer of any Series 2013 Bond shall be required to be made by the Paying Agent (i) during the period established by the Paying Agent for selection of the Series 2013 Bonds for redemption, and (ii) after any Series 2013 Bond has been selected for redemption.

(b) *Exchange.* The Series 2013 Bonds may be exchanged for Series 2013 Bonds of other authorized denominations of the same maturity and Interest Date, by the Owner thereof, in person or by the duly authorized attorney of such Owner, upon surrender of such Series 2013 Bond to the Paying Agent for cancellation, accompanied by delivery of a duly executed request for exchange in a form approved by the Paying Agent.

Whenever any Series 2013 Bond or Series 2013 Bonds shall be surrendered for exchange, the designated District officials shall execute and the Paying Agent shall authenticate and deliver, as provided in Section 4 hereof, a new Series 2013 Bond or Series 2013 Bonds of the same maturity and interest payment mode and interest rate (in the case of Current Interest Bonds, for a like aggregate principal amount, in the case of Capital Appreciation Bonds, for a like aggregate maturity value and in the case of Convertible Capital Appreciation Bonds, for a like aggregate accreted value at the Conversion Date, as applicable). The Paying Agent may require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

No exchange of any Series 2013 Bonds shall be required to be made by the Paying Agent (i) during the period established by the Paying Agent for selection of the Series 2013 Bonds for redemption, and (ii) after any Series 2013 Bond has been selected for redemption.

Section 11. Bond Purchase Agreement; Sale of Bonds. (a) The form of Bond Purchase Agreement on file with the Clerk of the Board of Education, is hereby approved, and the Authorized Officers are each hereby authorized and directed, for and in the name and on behalf of the District, to execute and deliver the Bond Purchase Agreement in substantially said form, with such changes therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that (i) the true interest cost for the Series 2013 Bonds shall not exceed 7.50%, (ii) the interest rate on the Current Interest Bonds and, from and after their Conversion Date, the Convertible Capital Appreciation Bonds, shall not exceed 12.00% per annum, (iii) the Capital Appreciation Bonds and, to their Conversion Dates, the Convertible Capital Appreciation Bonds, shall accrete in value to their maturity values at a maximum compounded interest rate not to exceed 12.00% per annum, (iv) the Underwriters' discount for the sale of the Series 2013 Bonds shall not exceed 0.95% of the principal amount thereof, exclusive of any costs of issuance the Underwriters contract to pay, and (v) the Series 2013 Bonds shall otherwise conform to the limitations specified herein.

(b) The Bond Purchase Agreement shall recite (i) the aggregate initial principal amount of the Series 2013 Bonds, (ii) which Series 2013 Bonds, if any, are Current Interest Bonds and, with respect thereto, the date thereof, the maturity dates, principal amounts and annual rates of interest of each maturity thereof, the initial and semiannual Interest Dates thereof, and the terms of optional and mandatory sinking fund redemption thereof, if any, (iii) which Series 2013 Bonds, if any, are Capital Appreciation Bonds and, with respect thereto, the date thereof, the initial principal amounts, maturity dates, and maturity values of each maturity thereof, the initial and semiannual Interest Dates thereof, and the terms of optional and mandatory sinking fund redemption thereof, if any, and (iv) which Series 2013 Bonds, if any, are Convertible Capital Appreciation Bonds and, with respect thereto, the date thereof, the initial principal amounts, Conversion Dates, maturity dates, and accreted value at the Conversion Date of each maturity thereof, the initial and semiannual Interest Dates thereof, and the terms of optional and mandatory sinking fund redemption thereof, if any

(c) The Board of Education hereby finds and determines that the sale of the Series 2013 Bonds at negotiated sale as contemplated herein and by the Bond Purchase Agreement will provide more flexibility in the timing of the sale, and ability to implement the sale in a shorter time period, an increased ability to structure the Series 2013 Bonds to fit the needs of particular purchasers, and greater opportunity for the Underwriters to pre-market the Series 2013 Bonds to potential purchasers prior to the sale, all of which will contribute to the District's goal of achieving the lowest overall cost of funds. Estimates of the costs associated with the issuance of the Series 2013 Bonds, including any such costs that the Underwriters agree to pay pursuant to the Bond Purchase Agreement, are set forth on Exhibit D attached hereto and incorporated herein.

Section 12. Application of Proceeds of Series 2013 Bonds. (a) On the Closing Date (i) certain of the proceeds from the sale of the Series 2013 Bonds, in the amount specified in the Bond Purchase Agreement, shall be delivered to the Series B Notes Trustee for deposit in the Note Fund established under the Series B Notes Indenture, to be applied to the payment of the Series B Notes on their maturity date, (ii) certain of the proceeds from the sale of the Series 2013 Bonds, in the amount specified in the Bond Purchase Agreement, shall be delivered to the

Treasurer for deposit in the building fund of the District, and (iii) certain of the proceeds of the Series 2013 Bonds, in the amount specified in the Bond Purchase Agreement, shall, as provided in subsection (b) of this Section, be delivered to the costs of issuance administrator identified as such in the Bond Purchase Agreement, for deposit in a costs of issuance account.

(b) In accordance with Section 15146(g) of the California Education Code, to the extent not contracted to be paid by the Underwriters, the Authorized Officers are each hereby authorized to cause to be deposited in a costs of issuance account, which may be held by a bank, national banking association or trust company meeting the qualifications necessary to be a paying agent set forth in Section 8, as cost of issuance administrator, proceeds of sale of the Series 2013 Bonds (exclusive of any premium or accrued interest received) in an amount not exceeding 2.00% of the principal amount of the Series 2013 Bonds sold, as shall be set forth in the Bond Purchase Agreement, for the purposes of paying the costs associated with the issuance of the Series 2013 Bonds.

(c) In accordance with subsections (h) and (i) of Section 15146 of the California Education Code, the Authorized Officers are each hereby authorized to cause to be deposited in the interest and sinking fund of the District proceeds of sale of the Series 2013 Bonds (in addition to any premium or accrued interest received) to fund (i) an annual reserve permitted by Section 15250 of the California Education Code, and/or (ii) capitalized interest in an amount not exceeding the interest scheduled to become due on the Series 2013 Bonds for a period of two years from the date of issuance of the Series 2013 Bonds, as shall be set forth in the Bond Purchase Agreement, if any such a deposit is deemed by the Authorized Officer executing the same to be in the best interests of the District.

Section 13. Investment of Proceeds. (a) All funds held in the interest and sinking fund of the District shall be invested at the discretion of the Treasurer. In the absence of written request from the District, proceeds of the Series 2013 Bonds held in the building fund of the District shall be invested at the sole discretion of the Treasurer pursuant to State law, including California Government Code Section 53601 *et. seq.*, as the same may be amended or supplemented from time to time, and the investment policy of the County.

(b) To the extent permitted by law (i) at the written request of an Authorized Officer, each of whom is hereby expressly authorized to make such request, all or any portion of the building fund of the District may be invested on behalf of the District in the Local Agency Investment Fund in the treasury of the State, and (ii) at the written request of an Authorized Officer, each of whom is hereby expressly authorized to make such request, all or any portion of the building fund of the District may be invested on behalf of the District, in investment agreements, including guaranteed investment contracts, float contracts or other investment products which comply with the requirements of each rating agency then rating the Series 2013 Bonds necessary in order to maintain the then-current rating on the Series 2013 Bonds.

Section 14. Tax Covenants. (a) The District shall not take any action, or fail to take any action, if such action or failure to take such action would adversely affect the exclusion from gross income of the interest payable on the Series 2013 Bonds under Section 103 of the Code. Without limiting the generality of the foregoing, the District hereby covenants that it will comply

with the requirements of the Tax Certificate. The provisions of this Section shall survive payment in full or defeasance of the Series 2013 Bonds.

(b) In the event that at any time the District is of the opinion that for purposes of this Section it is necessary or helpful to restrict or limit the yield on the investment of any monies held by the Treasurer on behalf of the District, in accordance with this Resolution or pursuant to law, the District shall so request of the Treasurer in writing, and the District shall make its best efforts to ensure that the Treasurer shall take such action as may be necessary in accordance with such instructions.

(c) Notwithstanding any provision of this Section, if the District shall provide to the Treasurer an Opinion of Bond Counsel that any specified action required under this Section is no longer required or that some further or different action is required to maintain the exclusion from federal income tax of interest on the Series 2013 Bonds under Section 103 of the Code, the Treasurer may conclusively rely on such Opinion of Bond Counsel in complying with the requirements of this Section and of the Tax Certificate, and the covenants hereunder shall be deemed to be modified to that extent.

Section 15. Continuing Disclosure Certificate. The form of Continuing Disclosure Certificate, on file with the Clerk of the Board of Education, is hereby approved, and the Authorized Officers are each hereby authorized and directed, for and in the name and on behalf of the District, to execute and deliver the Continuing Disclosure Certificate in substantially said form, with such changes therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The District hereby covenants and agrees to comply with and carry out all of the provisions of the Continuing Disclosure Certificate.

Section 16. Preliminary Official Statement. The form of Preliminary Official Statement, on file with the Clerk of the Board of Education, with such changes therein as may be approved by an Authorized Officer, is hereby approved, and the use of the Preliminary Official Statement in connection with the offering and sale of the Series 2013 Bonds is hereby authorized and approved. The Authorized Officers are each hereby authorized to certify on behalf of the District that the Preliminary Official Statement is deemed final as of its date, within the meaning of Rule 15c2-12 (except for the omission of certain final pricing, rating and related information as permitted by Rule 15c2-12).

Section 17. Official Statement. The preparation and delivery of an Official Statement, and its use by the Underwriters in connection with the offering and sale of the Series 2013 Bonds, is hereby authorized and approved. The Official Statement shall be in substantially the form of the Preliminary Official Statement with such changes, insertions and omissions as may be approved by an Authorized Officer, such approval to be conclusively evidenced by the execution and delivery thereof. The Authorized Officers are each hereby authorized and directed, for and in the name of and on behalf of the District, to execute the final Official Statement and any amendment or supplement thereto and thereupon to cause the final Official Statement and any such amendment or supplement to be delivered to the Underwriters.

Section 18. Professional Services. California Financial Services shall serve as program manager, advisor and administrator for the Series 2013 Bonds. Orrick, Herrington & Sutcliffe LLP shall serve as bond counsel and disclosure counsel to the District for the Series 2013 Bonds. Piper Jaffray & Co. and U.S. Bancorp Investments, Inc. shall serve as underwriters for the Series 2013 Bonds.

Section 19. Delegation of Authority. The Authorized Officers are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable in order to consummate the transactions herein authorized and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution, including, without limitation negotiating the terms of the insurance policy, if any, referred to herein.


Section 20. Approval of Actions. All actions heretofore taken by the officers, employees and agents of the District with respect to the transactions set forth above are hereby approved, confirmed and ratified.

Section 21. Filing with County. The Superintendent, or such other officer or employee of the District as the Superintendent may designate, is hereby authorized and directed to report to the Auditor-Controller of the County the final terms of sale of the Series 2013 Bonds, and to file with the Auditor-Controller of the County and with the Treasurer a copy of the executed Bond Purchase Agreement and this Resolution, and the schedule of amortization of the principal of and payment on the Series 2013 Bonds, and to file with the Treasurer a proposed schedule of draws on the building fund of the District, and this Resolution shall serve as the notice required to be given by Section 15140(c) of the California Education Code and as the District's request to the Auditor-Controller of the County and the Board of Supervisors to propose and adopt in each year a tax rate applicable to all taxable property of the District for payment of the Series 2013 Bonds, pursuant to law; and to the other officers of the County to levy and collect said taxes for the payment of the Series 2013 Bonds, to pay in a timely manner to the Paying Agent on behalf of the Owners of the Series 2013 Bonds the principal, accreted value, interest, and premium, if any, due on the Series 2013 Bonds in each year, and to create in the County treasury to the credit of the District a building fund and an interest and sinking fund pursuant to Section 15146 of the California Education Code.

Section 22. Indemnification of County. The District shall indemnify and hold harmless, to the extent permitted by law, the County and its officers and employees ("Indemnified Parties"), against any and all losses, claims, damages or liabilities, joint or several, to which such Indemnified Parties may become subject because of action or inaction related to the adoption of any resolution by the Board of Supervisors authorizing the District to issue and sell the Series 2013 Bonds without the further action of the Board of Supervisors pursuant to Sections 15140 and 15146 of the California Education Code, as permitted by Section 53508.7 of the California Government Code or related to the proceedings for sale, award, issuance and delivery of the Series 2013 Bonds in accordance herewith and with the said resolution of the Board of Supervisors. The District shall also reimburse any such Indemnified Parties for any legal or other expenses incurred in connection with investigating or defending any such claims or actions.

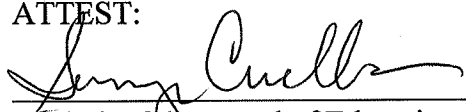
Section 23. Effective Date. This Resolution shall take effect from and after its date of adoption.

PASSED AND ADOPTED this day, October 23, 2013.



President of the Board of Education of the
Paramount Unified School District

ATTEST:



Clerk of the Board of Education of the
Paramount Unified School District

EXHIBIT A

FORM OF CURRENT INTEREST BOND

Number	UNITED STATES OF AMERICA	Amount
R-__	STATE OF CALIFORNIA	\$ _____
	COUNTY OF LOS ANGELES	

**PARAMOUNT UNIFIED SCHOOL DISTRICT
GENERAL OBLIGATION BONDS, ELECTION OF 2006, SERIES 2013**

CURRENT INTEREST BOND

Maturity Date	Interest Rate	Dated Date	CUSIP No.
_____, 20__	_____%	_____, 2013	_____

Registered Owner: CEDE & CO.

Principal Amount: _____ DOLLARS

Paramount Unified School District, County of Los Angeles, State of California (the "District"), acknowledges itself obligated to and promises to pay to the Registered Owner identified above or registered assigns, on the Maturity Date set forth above or upon prior redemption hereof, the Principal Amount specified above in lawful money of the United States of America, and to pay interest thereon in like lawful money from the interest payment date next preceding the date of authentication of this Bond (unless this bond is authenticated as of a date during the period from the Record Date (as defined herein) next preceding any interest payment date to such interest payment date, inclusive, in which event it shall bear interest from such interest payment date, or unless this Bond is authenticated on or before January 15, 2014, in which event it shall bear interest from the date hereof) at the Interest Rate per annum stated above, payable commencing on February 1, 2014, and thereafter on February 1 and August 1 in each year, until payment of the Principal Amount. This Bond is issued pursuant to a Resolution adopted by the Board of Education of the District on _____, 2013 (the "Resolution"). Capitalized undefined terms used herein have the meanings ascribed thereto in the Resolution.

The principal hereof is payable to the Registered Owner hereof upon the surrender hereof at the principal corporate trust office of the paying agent/registrar and transfer agent of the District (the "Paying Agent"), initially the Treasurer and Tax Collector of the County of Los Angeles. The interest hereon is payable to the person whose name appears on the bond registration books of the Paying Agent as the Registered Owner hereof as of the close of business on the 15th day of the month preceding an interest payment date (the "Record Date"), whether or not such day is a business day, such interest to be paid by check or draft mailed to such Registered Owner at the owner's address as it appears on such registration books, or at such other address filed with the Paying Agent for that purpose. Upon written request, given no later than the Record Date immediately preceding an interest payment date, of the owner of Current Interest Bonds aggregating at least \$1,000,000 in principal amount, interest will be paid by wire

transfer in immediately available funds to an account maintained in the United States as specified by the Registered Owner in such request. So long as Cede & Co. or its registered assigns shall be the Registered Owner of this Bond, payment shall be made in immediately available funds as provided in the Resolution hereinafter described.

This Bond is one of a duly authorized issue of bonds of like tenor (except for such variations, if any, as may be required to designate varying series, numbers, denominations, interest rates, interest payment modes, maturities and redemption provisions), in the aggregate principal amount of \$ _____, and denominated as "Paramount Unified School District General Obligation Bonds, Election of 2006, Series 2013" (the "Bonds"). The Bonds were authorized by a vote of at least 55% percent of the voters voting at an election duly and legally called, held and conducted in the District on November 7, 2006. The Bonds are issued and sold by the Board of Education of the District pursuant to and in strict conformity with the provisions of the Constitution and laws of the State, and of the Resolution, and subject to the more particular terms specified in the Bond Purchase Agreement, dated _____, 2013, by and among Piper Jaffray & Co., on behalf of itself and U.S. Bancorp Investments, Inc., and the District.

The Current Interest Bonds are issuable as fully registered bonds without coupons in the denomination of \$5,000 principal amount or any integral multiple thereof, provided that no Current Interest Bond shall have principal maturing on more than one principal maturity date. Subject to the limitations and conditions and upon payment of the charges, if any, as provided in the Resolution, Bonds may be exchanged for a like aggregate principal amount of Bonds of the same tenor, interest payment mode, and maturity of other authorized denominations.

This Bond is transferable by the Registered Owner hereof, in person or by attorney duly authorized in writing, at the principal corporate trust office of the Paying Agent, but only in the manner, subject to the limitations and upon payment of the charges provided in the Resolution, and upon surrender and cancellation of this Bond. Upon such transfer, a new Bond or Bonds of authorized denomination or denominations of the same tenor, interest payment mode, and same aggregate principal amount will be issued to the transferee in exchange herefor.

The District and the Paying Agent may treat the registered owner hereof as the absolute owner hereof for all purposes, and the District and the Paying Agent shall not be affected by any notice to the contrary.

The Bonds are subject to optional and mandatory sinking fund redemption on the terms and subject to the conditions specified in the Resolution. If this Bond is called for redemption and payment is duly provided therefor, interest shall cease to accrue hereon from and after the date fixed for redemption.

The Board of Education of the District hereby certifies and declares that the total amount of indebtedness of the District, including the amount of this Bond, is within the limit provided by law; that all acts, conditions and things required by law to be done or performed precedent to and in the issuance of this Bond have been done and performed in strict conformity with the laws authorizing the issuance of this Bond; and that this Bond is in substantially the form prescribed by order of the Board of Education duly made and entered on its minutes. The Bonds represent

an obligation payable out of the interest and sinking fund of the District, and the money for the payment of principal of, premium, if any, and interest hereon, shall be raised by taxation upon the taxable property of the District.

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Paying Agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the Registered Owner hereof, Cede & Co., has an interest herein.

This Bond shall not be entitled to any benefit under the Resolution, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon endorsed shall have been signed by the Paying Agent.

IN WITNESS WHEREOF, the Board of Education of the Paramount Unified School District, County of Los Angeles, State of California, has caused this bond to be signed by its President and countersigned by the Clerk of said Board, as of the date set forth above.

President of the Board of Education of the
Paramount Unified School District

Countersigned:

Clerk of the Board of Education of the
Paramount Unified School District

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This is one of the Bonds described in the within-mentioned Resolution and authenticated and registered on _____.

**TREASURER AND TAX COLLECTOR
OF THE COUNTY OF LOS ANGELES,
CALIFORNIA, as Paying Agent/
Registrar and Transfer Agent**

**By: U.S. BANK NATIONAL
ASSOCIATION, as agent**

By: _____
Authorized Officer

ASSIGNMENT

For value received the undersigned do(es) hereby sell, assign and transfer unto _____ the within-mentioned Bond and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the books of the Paying Agent with full power of substitution in the premises.

I.D. Number

Note: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Dated: _____

Signature Guarantee: _____

Note: Signature must be guaranteed by an eligible guarantor institution.

EXHIBIT B

FORM OF CAPITAL APPRECIATION BOND

Number
CAB-__

UNITED STATES OF AMERICA
STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

PARAMOUNT UNIFIED SCHOOL DISTRICT
GENERAL OBLIGATION BONDS, ELECTION OF 2006, SERIES 2013

CAPITAL APPRECIATION BOND

Maturity Date	Interest Rate	Dated Date	CUSIP No.
_____, 20__		_____, 2013	_____

Registered Owner: CEDE & CO.

Initial Principal Amount: _____ DOLLARS

Accreted Value at Maturity: _____ DOLLARS

Paramount Unified School District of the County of Los Angeles, State of California (the "District"), acknowledges itself obligated to and promises to pay, to the Registered Owner identified above or registered assigns, on the Maturity Date specified above or upon prior redemption hereof, in lawful money of the United States of America, the accreted value hereof on such date, consisting of the Initial Principal Amount hereof plus interest accrued thereon to such date, commencing on the date hereof, compounded on February 1 and August 1 of each year commencing on February 1, 2014, at the Interest Rate specified above, assuming in any such semiannual period that such interest accretes in equal daily amounts on the basis of a 360-day year of twelve 30-day months, until the obligation represented hereby shall have been discharged, as provided in the Resolution adopted by the Board of Education of the District on _____, 2013 (the "Resolution"). The accreted value hereof shall be determined in accordance with the Resolution and as reflected in the Table of Accreted Values hereinafter set forth; provided, however, that any accreted value determined in accordance with the Resolution shall prevail over any accreted values given in the Table of Accreted Values. Capitalized undefined terms used herein have the meanings ascribed thereto in the Resolution.

The accreted value hereof is payable to the Registered Owner hereof upon the surrender hereof at the principal corporate trust office of the paying agent/registrars and transfer agent of the District (the "Paying Agent"), initially the Treasurer and Tax Collector of the County of Los Angeles.

This Bond is one of a duly authorized issue of bonds of like tenor (except for such variations, if any, as may be required to designate varying tenors, numbers, denominations, interest rates, interest payment modes, maturities and redemption provisions), in the aggregate

principal amount of \$ _____, and denominated as "Paramount Unified School District General Obligation Bonds, Election of 2006, Series 2013" (the "Bonds"). The Bonds were authorized by a vote of at least 55% percent of the voters voting at an election duly and legally called, held and conducted in the District on November 7, 2006. The Bonds are issued and sold by the Board of Education of the District pursuant to and in strict conformity with the provisions of the Constitution and laws of the State, and the Resolution, and subject to the more particular terms specified in the Bond Purchase Agreement, dated _____, 2013, by and among Piper Jaffray & Co., on behalf of itself and U.S. Bancorp Investments, Inc., and the District.

The Capital Appreciation Bonds are issuable as fully registered bonds without coupons in the denomination of \$5,000 accreted value at maturity (the "maturity value") or any integral multiple thereof, except that the first numbered Bond may be issued in a denomination such that the maturity value of such Bond shall not be in an integral multiple of \$5,000, and provided that no Capital Appreciation Bond shall have principal maturing on more than one principal maturity date. Subject to the limitations and conditions and upon payment of the charges, if any, as provided in the Resolution, Bonds may be exchanged for a like aggregate maturity value of Bonds of the same tenor, interest payment mode, and maturity of other authorized denominations.

This Bond is transferable by the Registered Owner hereof, in person or by attorney duly authorized in writing, at the principal corporate trust office of the Paying Agent, but only in the manner, subject to the limitations and upon payment of the charges provided in the Resolution, and upon surrender and cancellation of this Bond. Upon such transfer, a new Bond or Bonds of authorized denomination or denominations for the same tenor and interest payment mode and same aggregate maturity value will be issued to the transferee in exchange herefor.

The District and the Paying Agent may treat the registered owner hereof as the absolute owner hereof for all purposes, and the District and the Paying Agent shall not be affected by any notice to the contrary.

The Bonds are subject to optional and mandatory sinking fund redemption on the terms and subject to the conditions specified in the Resolution. If this Bond is called for redemption and payment is duly provided therefor, interest shall cease to accrue hereon from and after the date fixed for redemption.

The Board of Education of the District hereby certifies and declares that the total amount of indebtedness of the District, including the amount of this Bond, is within the limit provided by law, that all acts, conditions and things required by law to be done or performed precedent to and in the issuance of this Bond have been done and performed in strict conformity with the laws authorizing the issuance of this Bond, and that this Bond is in substantially the form prescribed by order of this Board duly made and entered on its minutes. The Bonds represent an obligation payable out of the interest and sinking fund of the District, and the money for the payment of the maturity value of this Bond (or redemption price hereof upon redemption prior to maturity), shall be raised by taxation upon the taxable property of the District.

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Paying Agent for registration of transfer,

exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the Registered Owner hereof, Cede & Co., has an interest herein.

This Bond shall not be entitled to any benefit under the Resolution, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon endorsed shall have been signed by the Paying Agent.

IN WITNESS WHEREOF, the Board of Education of the Paramount Unified School District, County of Los Angeles, State of California, has caused this Bond to be signed by its President and countersigned by the Clerk of said Board, as of the date set forth above.

President of the Board of Education of the
Paramount Unified School District

Countersigned:

Clerk of the Board of Education of the
Paramount Unified School District

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This is one of the Bonds described in the within-mentioned Resolution and authenticated and registered on _____.

**TREASURER AND TAX COLLECTOR
OF THE COUNTY OF LOS ANGELES,
CALIFORNIA, as Paying Agent/
Registrar and Transfer Agent**

**By: U.S. BANK NATIONAL
ASSOCIATION, as agent**

By: _____
Authorized Officer

ASSIGNMENT

For value received the undersigned do(es) hereby sell, assign and transfer unto _____ the within-mentioned Bond and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the books of the Paying Agent with full power of substitution in the premises.

I.D. Number _____

Note: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Dated: _____

Signature Guarantee: _____
Note: Signature must be guaranteed by an eligible guarantor institution.

CAPITAL APPRECIATION BOND
TABLE OF ACCRETED VALUES

EXHIBIT C

FORM OF CONVERTIBLE CAPITAL APPRECIATION BOND

Number
CCAB-__

UNITED STATES OF AMERICA
STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

PARAMOUNT UNIFIED SCHOOL DISTRICT
GENERAL OBLIGATION BONDS, ELECTION OF 2006, SERIES 2013

CONVERTIBLE CAPITAL APPRECIATION BOND

Maturity Date	Interest Rate	Conversion Date	Dated Date	CUSIP No.
_____, 20__			_____, 2013	_____

Registered Owner: CEDE & CO.

Initial Principal Amount: _____ DOLLARS

Accreted Value at Conversion Date: _____ DOLLARS

Paramount Unified School District of the County of Los Angeles, State of California (the "District"), acknowledges itself obligated to and promises to pay, to the Registered Owner identified above or registered assigns, on the Maturity Date specified above or upon prior redemption hereof, in lawful money of the United States of America, the accreted value hereof on such date, consisting of the Initial Principal Amount hereof plus interest accrued thereon to the Conversion Date specified above, commencing on the date hereof, compounded on February 1 and August 1 of each year commencing on February 1, 2014, at the Interest Rate per annum specified above, assuming in any such semiannual period that such interest accretes in equal daily amounts on the basis of a 360-day year of twelve 30-day months, and from and after said Conversion Date to pay interest on said accreted value as of said Conversion Date in like lawful money from the interest payment date next preceding the date of authentication of this Bond (unless this bond is authenticated as of a date during the period from the Record Date (as defined herein) next preceding any interest payment date to such interest payment date, inclusive, in which event from such interest payment date) at the Interest Rate per annum stated above, payable commencing on the February 1 or August 1 first following said Conversion Date, and thereafter on February 1 and August 1 in each year, until the obligation represented hereby shall have been discharged, as provided in the Resolution adopted by the Board of Education of the District on _____, 2013 (the "Resolution"), upon the surrender hereof at the principal corporate trust office of the paying agent/registrar and transfer agent of the District (the "Paying Agent"), initially the Treasurer and Tax Collector of the County of Los Angeles. The accreted value hereof shall be determined in accordance with the Resolution and as reflected in the Table of Accreted Values hereinafter set forth; provided, however, that any accreted value determined in accordance with the Resolution shall prevail over any accreted values given in the Table of

Accreted Values. Capitalized undefined terms used herein have the meanings ascribed thereto in the Resolution.

The accreted value hereof is payable to the Registered Owner hereof upon the surrender hereof at the principal corporate trust office of the Paying Agent. The interest hereon is payable to the person whose name appears on the bond registration books of the Paying Agent as the Registered Owner hereof as of the close of business on the 15th day of the month preceding an interest payment date (the "Record Date"), whether or not such day is a business day, such interest to be paid by check or draft mailed to such Registered Owner at the owner's address as it appears on such registration books, or at such other address filed with the Paying Agent for that purpose. Upon written request, given no later than the Record Date immediately preceding an interest payment date, of the owner of Current Interest Bonds aggregating at least \$1,000,000 in accreted value as of the Conversion Date, interest will be paid by wire transfer in immediately available funds to an account maintained in the United States as specified by the Registered Owner in such request. So long as Cede & Co. or its registered assigns shall be the Registered Owner of this Bond, payment shall be made in immediately available funds as provided in the Resolution.

This Bond is one of a duly authorized issue of bonds of like tenor (except for such variations, if any, as may be required to designate varying tenors, numbers, denominations, interest rates, interest payment modes, maturities and redemption provisions), in the aggregate principal amount of \$ _____, and denominated as "Paramount Unified School District General Obligation Bonds, Election of 2006, Series 2013" (the "Bonds"). The Bonds were authorized by a vote of at least 55% percent of the voters voting at an election duly and legally called, held and conducted in the District on November 7, 2006. The Bonds are issued and sold by the Board of Education of the District pursuant to and in strict conformity with the provisions of the Constitution and laws of the State, and the Resolution, and subject to the more particular terms specified in the Bond Purchase Agreement, dated _____, 2013, by and among Piper Jaffray & Co., on behalf of itself and U.S. Bancorp Investments, Inc., and the District.

The Convertible Capital Appreciation Bonds are issuable as fully registered bonds without coupons in the denomination of \$5,000 accreted value at the Conversion Date or any integral multiple thereof, provided that no Convertible Capital Appreciation Bond shall have principal maturing on more than one principal maturity date. Subject to the limitations and conditions and upon payment of the charges, if any, as provided in the Resolution, Bonds may be exchanged for a like aggregate maturity value of Bonds of the same tenor, interest payment mode, and maturity of other authorized denominations.

This Bond is transferable by the Registered Owner hereof, in person or by attorney duly authorized in writing, at the principal corporate trust office of the Paying Agent, but only in the manner, subject to the limitations and upon payment of the charges provided in the Resolution, and upon surrender and cancellation of this Bond. Upon such transfer, a new Bond or Bonds of authorized denomination or denominations for the same tenor and interest payment mode and same aggregate maturity value will be issued to the transferee in exchange herefor.

The District and the Paying Agent may treat the registered owner hereof as the absolute owner hereof for all purposes, and the District and the Paying Agent shall not be affected by any notice to the contrary.

The Bonds are subject to optional and mandatory sinking fund redemption on the terms and subject to the conditions specified in the Resolution. If this Bond is called for redemption and payment is duly provided therefor, interest shall cease to accrue hereon from and after the date fixed for redemption.

The Board of Education of the District hereby certifies and declares that the total amount of indebtedness of the District, including the amount of this Bond, is within the limit provided by law, that all acts, conditions and things required by law to be done or performed precedent to and in the issuance of this Bond have been done and performed in strict conformity with the laws authorizing the issuance of this Bond, and that this Bond is in substantially the form prescribed by order of this Board duly made and entered on its minutes. The Bonds represent an obligation payable out of the interest and sinking fund of the District, and the money for the payment of the maturity value of this Bond (or redemption price hereof upon redemption prior to maturity), shall be raised by taxation upon the taxable property of the District.

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Paying Agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the Registered Owner hereof, Cede & Co., has an interest herein.

This Bond shall not be entitled to any benefit under the Resolution, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon endorsed shall have been signed by the Paying Agent.

IN WITNESS WHEREOF, the Board of Education of the Paramount Unified School District, County of Los Angeles, State of California, has caused this Bond to be signed by its President and countersigned by the Clerk of said Board, as of the date set forth above.

President of the Board of Education of the
Paramount Unified School District

Countersigned:

Clerk of the Board of Education of the
Paramount Unified School District

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This is one of the Bonds described in the within-mentioned Resolution and authenticated and registered on _____.

**TREASURER AND TAX COLLECTOR
OF THE COUNTY OF LOS ANGELES,
CALIFORNIA, as Paying Agent/
Registrar and Transfer Agent**

**By: U.S. BANK NATIONAL
ASSOCIATION, as agent**

By: _____
Authorized Officer

ASSIGNMENT

For value received the undersigned do(es) hereby sell, assign and transfer unto _____ the within-mentioned Bond and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the books of the Paying Agent with full power of substitution in the premises.

I.D. Number

Note: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Dated: _____

Signature Guarantee: _____
Note: Signature must be guaranteed by an eligible guarantor institution.

CONVERTIBLE CAPITAL APPRECIATION BOND
TABLE OF ACCRETED VALUES

EXHIBIT D

ESTIMATES OF COSTS OF ISSUANCE

Underwriters' Discount	0.95% of the principal amount of the Series 2013 Bonds
Credit Enhancement*	0.35% of the principal amount of the Series 2013 Bonds
Other Expenses	1.30% of the principal amount of the Series 2013 Bonds

* A municipal bond insurance policy with respect to the Series 2013 Bonds will be obtained only if economically advantageous to the District as determined by an Authorized Officer of the District.

CLERK'S CERTIFICATE

I, Sonya Cuellar, Clerk of the Board of Education of the Paramount Unified School District, County of Los Angeles, California, hereby certify that the foregoing is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Board of Education of said District duly and regularly held at the regular meeting place thereof on October 23, 2013, and entered in the minutes thereof, of which meeting all of the members of the Board of Education had due notice and at which a quorum thereof was present, and that at said meeting the resolution was adopted by the following vote:

AYES: 5

NOES: 0


ABSTAIN: 0

ABSENT: 0

An agenda of the meeting was posted at least 72 hours before the meeting at 15110 California Avenue, Paramount, California, a location freely accessible to members of the public, and a brief description of the resolution appeared on the agenda.

I further certify that I have carefully compared the same with the original minutes of said meeting on file and of record in my office; the foregoing resolution is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes; and that said resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

Dated: 10/23/ 2013


Clerk of the Board of Education of the
Paramount Unified School District